

MINUTES } CITY OF PIKEVILLE

PIKEVILLE CITY COMMISSION
SPECIAL MEETING MINUTES
OCTOBER 21, 1996

The Board of Commissioners of the City of Pikeville met in Special Meeting on Monday, September 21, 1996 to consider the following items:

1. EXECUTIVE SESSION WITH SEI & DEVELOPMENT CORPORATION TO DISCUSS FURTHER DEVELOPMENT OF THE CASSADY BOULEVARD PROPERTY

2. CONSIDER PROPOSALS FROM THE DEVELOPERS AND WAL-MART FOR A WAL-MART SUPER STORE ON THE CASSADY BOULEVARD PROPERTY; CONSIDER DEVELOPER AND WAL-MART'S REQUEST FOR ECONOMIC DEVELOPMENT ASSISTANCE, UTILITIES AND STREETS

There being a quorum present, Mayor Pro Tem Eugene Davis called the meeting to order at 12:08 p.m. Commission Members present at roll call were as follows:

COMMISSIONER:	KENNY BLACKBURN WALTER BLANKENSHIP SHARON CLARK EUGENE DAVIS
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Mayor Steven D. Combs was absent.

At 12:10 p.m., Commissioner Blankenship made the motion to adjourn to executive session for the purpose of discussing the further development of the Cassady Boulevard property with SEI & Development Corporation. Commissioner Blackburn seconded the motion. Upon call of the roll, the motion carried 4 - 0.

At 1:35 p.m., Commissioner Blackburn made the motion, seconded by Commissioner Clark to reconvene to regular session. Upon call of the roll, the motion carried 4 - 0.

City Attorney Davis presented and gave reading to the following three resolutions:

RESOLUTION ADOPTING AN ECONOMIC INCENTIVE PLAN FOR WAL-MART/BIG SANDY/PIKEVILLE LIMITED PARTNERSHIP PROPOSED SUPERCENTER TO BE LOCATED ALONG CASSADY BOULEVARD AND THOMPSON ROAD AND AUTHORIZING AN OFFER THEREOF

R-96-005

WHEREAS, Big Sandy/Pikeville Limited Partnership (hereinafter referred to as "Big Sandy") and Wal-Mart Stores, Inc. (hereinafter referred to as "Wal-Mart") has requested certain economic and other assistance in regard to the development and construction of a "Wal-Mart SuperCenter" within the City of Pikeville along Cassady Boulevard and Thompson Road.

WHEREAS, Wal-Mart and Big Sandy have represented to the Commission for the City of Pikeville that the projections for the new Wal-Mart SuperCenter are as follows:

-Estimated Annual Sales	68.4 Million
-Estimated Annual Payroll	5.16 Million
-Estimated Annual Real Estate Taxes	\$95,000.00
-Estimated Annual Personal Property Taxes	\$71,000.00
-Estimated Number of Associates (Employees)	400 Total
-Estimated Store Size	200,000 sq. ft.
-Estimated Parking Spaces	1,035

WHEREAS, the Commission has determined that the construction of the proposed Wal-Mart SuperCenter will result in a direct increase of tax revenues to the City of Pikeville from occupational taxes, real estate taxes, personal property taxes and from increased utility sales. Further, it is the belief of the Commission that the SuperCenter will attract other commercial development both within and without of the corporate limits of the City of Pikeville and will result in an increase in property value surrounding the SuperCenter including property owned by the City of Pikeville. Additionally, the project will result in an upgrade of city utilities and streets in and adjacent to the development site which will accrue to the benefit of any additional development in the area.

WHEREAS, the Commission for the City of Pikeville has determined that the adoption of and providing of economic and other assistance to the development project will be in the best interest of the City financially and in the best interest of its citizens as a result of the increased commerce, property values and tax revenues to be derived therefrom.

THEREFORE, BE IT RESOLVED by the City of Pikeville as follows:

SECTION I. That the City will contribute to Wal-Mart the sum of \$205,000.00 which shall be used solely for the upgrade and improvement of Cassady Boulevard to a five-lane street as the same is depicted upon the "site plan" for the Wal-Mart No. 1505 Super Center prepared by C.E.I. Engineering Associates, Inc. This upgraded street shall include a turn lane sufficient for traffic turning left at the intersection of Cassady Boulevard and Wal-Mart Drive and proceeding towards Thompson Road.

MINUTES } CITY OF PIKEVILLE

SECTION II. Wal-Mart Drive shall be dedicated by either Wal-Mart or Big Sandy as a city street and accepted as a city street by the Commission for the City of Pikeville.

SECTION III. Wal-Mart and the City of Pikeville shall have a traffic study done for the intersection of Cassidy Boulevard and Wal-Mart Drive three months after the official opening of the Wal-Mart SuperCenter and if the study reflects the need for a traffic light, Wal-Mart and the City shall equally share the cost therefor.

SECTION IV. That construction of the Wal-Mart SuperCenter will begin within one hundred and twenty (120) days from the date of the acceptance of this offer by Wal-Mart and Big Sandy or it may at the sole option and discretion of the City of Pikeville be either fully or partially withdrawn. Wal-Mart and Big Sandy must accept this offer within (60) days of the date hereof or the same may be withdrawn.

SECTION V. That the sum of money to be contributed by the City towards the Project shall be deposited in escrow by the City of Pikeville and shall be paid to Wal-Mart upon completion of the construction of the Super Center and street improvements.

SECTION VI. That nothing in this resolution and offer of economic development incentives shall accrue to the benefit of or be assigned or transferred in any manner by Wal-Mart or Big Sandy. The offer contained in this resolution shall be considered the sole offer of incentives or benefits in connection with the development project as to both Wal-Mart and Big Sandy except as otherwise extended or offered by resolution adopted by the City of Pikeville.

SECTION VII. That nothing herein shall be construed as a pledge of the occupational taxes, real estate taxes or utility user fees adopted by the City of Pikeville and all sums pledged hereunder shall be paid from the general revenues of the City of Pikeville.

Passed this 21st day of October, 1996.

Commissioner Blackburn moved the adoption of the foregoing resolution. Commissioner Clark seconded the motion.

Upon roll call, the votes were as follows:

STEVEN D. COMBS, MAYOR	ABSENT
GENE DAVIS, COMMISSIONER	YES
SHARON CLARK, COMMISSIONER	YES
WALTER BLANKENSHIP, COMMISSIONER	YES
KENNY BLACKBURN, COMMISSIONER	YES

The Mayor declared the within resolution adopted.

/s/ Eugene W. Davis
EUGENE W. DAVIS, MAYOR PRO-TEM

ATTEST:

/s/ Karen Harris
KAREN HARRIS, CITY CLERK

RESOLUTION AUTHORIZING AN OFFER OF PARTICIPATION IN THE OVER-BANK
IMPROVEMENT PROJECT AND THE CONSTRUCTION OF UTILITIES TO BIG
SANDY/PIKEVILLE LIMITED PARTNERSHIP TRACT 1

WHEREAS, the City of Pikeville has heretofore adopted certain economic assistance plans in connection with the Wal-Mart SuperCenter including an offer to participate in the Over-Bank Improvement Project.

WHEREAS, the City of Pikeville's offer to participate in the Over-Bank Improvement Project was contingent upon acceptance by Big Sandy of an agreement to pay that portion of the Over-Bank Improvement Project which exceeds the amount currently being held in escrow by the City of Pikeville for the Five Lane Bridge Project in an approximate sum of \$173,000.00,

NOW, THEREFORE, BE IT RESOLVED by the City of Pikeville as follows:

SECTION I. That the City of Pikeville agrees to contribute towards the total cost of the Over-Bank Improvement Project the amount being held in escrow by the City of Pikeville for the Five Lane Bridge Project in the approximate sum of \$173,000.00 plus 50% of the total, if any, cost exceeding \$300,000. Big Sandy agrees to pay 100% of the cost of the Over-Bank Improvement Project which exceeds the escrow amount held by the City of Pikeville up to a total project cost of \$300,000.00 and 50% of the total project cost, if any, which exceeds \$300,000.00. Both the City of Pikeville and Big Sandy's portion of the project cost (after bids have been received and accepted by Wal-Mart) shall be deposited into an escrow account subject to the terms that said sums shall remain in escrow until request for draw by Wal-Mart. Where upon, said sum will be paid to Wal-Mart in proportion to each party's obligation.

MINUTES } CITY OF PIKEVILLE

SECTION II. That the City of Pikeville agrees to extend water, sewer and gas utilities from Thompson Road along Cassady Boulevard to the north side of Wal-Mart Drive adjacent to Tract 1 at the City of Pikeville's sole cost.

SECTION III. That Big Sandy Tracts 1, 2, 3 and 4 of the project are zoned for commercial use.

SECTION IV. That the City agrees to approve curb cuts along Cassady Boulevard opposite the Lowe's entrance, the Winn Dixie entrance, one into Tract 1 approximately 100 feet northeast of Wal-Mart parking lot and one into Tract 2 approximately 100 feet northeast of Wal-Mart's parking lot.

SECTION V. That Big Sandy and Wal-Mart may develop Tracts 1, 2, 3 and 4 during construction of the Over-Bank Project.

SECTION VI. That the terms of this offer as set forth herein shall be construed as a complete offer of economic assistance in connection with the project except to the extent of any other resolutions adopted by the City of Pikeville.

SECTION VII. That the offer shall remain valid for a period of 60 days from the date hereof and if not accepted by Big Sandy within 60 days from the date hereof shall be subject to being partially or fully withdrawn.

Passed this 21st day of October, 1996.

Commissioner Blackburn moved the adoption of the foregoing resolution. Commissioner Clark seconded the motion.

Upon roll call, the votes were as follows:

STEVEN D. COMBS, MAYOR	ABSENT
GENE DAVIS, COMMISSIONER	YES
SHARON CLARK, COMMISSIONER	YES
WALTER BLANKENSHIP, COMMISSIONER	YES
KENNY BLACKBURN, COMMISSIONER	YES

The Mayor declared the within resolution adopted.

/s/ Eugene W. Davis
EUGENE W. DAVIS, MAYOR PRO-TEM

ATTEST:

/s/ Karen Harris
KAREN HARRIS, CITY CLERK

**RESOLUTION AUTHORIZING OFFER OF PARTICIPATION IN THE OVER-BANK
IMPROVEMENT PROJECT AS PART OF AN ECONOMIC INCENTIVE PLAN FOR THE
WAL-MART - BIG SANDY PROPOSED WAL-MART SUPERCENTER**

WHEREAS, BIG SANDY/PIKEVILLE LIMITED PARTNERSHIP DEVELOPMENT CORPORATION (hereinafter referred to as "Big Sandy") and Wal-Mart Stores, Inc. (hereinafter referred to as "Wal-Mart") has requested certain economic and other assistance in regard to the development and construction of a "Wal-Mart SuperCenter" within the City of Pikeville along Cassady Boulevard and Thompson Road.

WHEREAS, in order to establish the right to fill the Wal-Mart SuperCenter Tract as well as other properties that are owned or under option by Big Sandy or the City of Pikeville, approximately 73,000 + Yd³ of excavation (hereinafter referred to as 'OVERBANK IMPROVEMENT PROJECT') needs to be done within the floodway adjacent to Cassady Boulevard.

WHEREAS, the City is currently holding in escrow approximately \$173,000.00 for the Five-Lane Bridge Construction Project and the Department of Transportation has approved the use of the escrow funds for the Over-Bank Improvement Project.

WHEREAS, the Commission for the City of Pikeville has determined that the adoption of and providing of economic and other assistance to the development project will be in the best interest of the City financially and in the best interest of its citizens as a result of the increased commerce, property values and tax revenues to be derived therefrom.

THEREFORE, BE IT RESOLVED by the City of Pikeville as follows:

SECTION I. That the City of Pikeville agrees that it shall fully reimburse and fully hold Wal-Mart harmless for its full cost of the Over-Bank Improvement Project as the same is designated and described in more detail on plans and specifications prepared by Summit Engineering on behalf of the City of Pikeville, including, but not limited to, all change orders. The Over-Bank Improvement Project shall be included as an "alternate" bid item to Wal-Mart's offer to bid for the SuperCenter Project. The City shall have the right to approve the low bid prior to Wal-Mart's acceptance thereof and shall have the right to approve any change orders. The City or the bidder shall be responsible for acquiring all necessary property easements and consents for the project except those needed to be provided by either Wal-Mart or Big Sandy.

MINUTES } CITY OF PIKEVILLE

625

SECTION II. That this offer is contingent upon receipt from Big Sandy by letter of acceptance or contract, agreeing to terms that Big Sandy shall be responsible for 100% of that portion of the Over-Bank Improvement Project's total cost that exceeds the approximate escrow balance of \$173,000.00 held by the City up to a total project cost of \$300,000.00 and 50% of the cost, if any, which exceeds \$300,000.00.

SECTION III. That construction of the Over-Bank Improvement Project must begin within one hundred and twenty (120) days of the date of acceptance of this offer by Wal-Mart and Big Sandy or the City of Pikeville's offer herein may, at its sole option and discretion, be fully or partially withdrawn.

SECTION IV. This offer shall remain valid for a period of 60 days from the date hereof and if not accepted by both Wal-Mart and Big Sandy within 60 days from the date hereof shall be subject, at the sole discretion of the City of Pikeville, of being either partially or fully withdrawn.

SECTION V. That nothing contained in this offer shall be construed to be for the benefit of any other third party and may not be assigned or transferred in whole or in part by Wal-Mart or Big Sandy.

SECTION VI. That the terms of this offer as set forth herein shall be construed as the complete offer of economic assistance in connection with the project except to the extent of any other resolutions adopted by the City of Pikeville.

Passed this 21st day of October, 1996.

Commissioner Blackburn moved the adoption of the foregoing resolution. Commissioner Clark seconded the motion.

Upon roll call, the votes were as follows:

STEVEN D. COMBS, MAYOR	ABSENT
GENE DAVIS, COMMISSIONER	YES
SHARON CLARK, COMMISSIONER	YES
WALTER BLANKENSHIP, COMMISSIONER	YES
KENNY BLACKBURN, COMMISSIONER	YES

The Mayor declared the within resolution adopted.

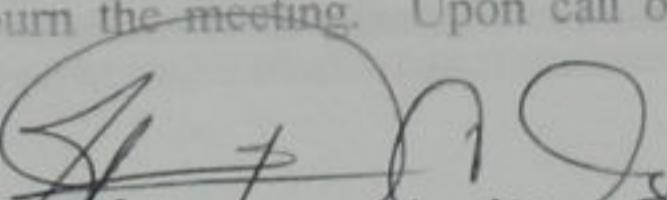
/s/ Eugene W. Davis
EUGENE W. DAVIS, MAYOR PRO-TEM

ATTEST:

/s/ Karen Harris
KAREN HARRIS, CITY CLERK

Commissioner Blackburn made the motion to authorize the City Engineer to proceed with the design of the necessary utility improvements to Tracts 1 and 2 and road improvements for Wal-Mart Drive. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 4 - 0.

There being no further business to come before the Commission, Commissioner Blankenship made the motion, seconded by Commissioner Clark to adjourn the meeting. Upon call of the roll, the motion carried 4 - 0 (Adjournment Time: 2:03 p.m.).

APPROVED 
STEVEN D. COMBS, MAYOR

ATTEST:

Karen Harris
KAREN HARRIS, CITY CLERK